



Investing in the Future

Hubbard Logging invests in a new fleet to increase productivity, decrease downtime, and improve their bottom line

Hubbard Logging, based out of Graham, Wash., started out as a little operation out of Oregon. Brothers Jim and Kevin Hubbard weren't looking to become big, they just enjoyed logging and being out in the woods.

Following the work, the brothers moved to Washington to log, and another brother, Shane, soon joined them. It was in Washington that Jim met Kelly, who not only became his wife but also helped the brothers develop their business.

Kelly's father, Calvin Johnson (who passed away this winter) invested in the growing business in the '90s. Jim and Kelly used those funds to buy new equipment one piece at a time -- starting with a Serco loader.

Fifteen Years Later

Today, Hubbard Logging does a majority of its work for the Hancock Timber Resource Group and SPI (Sierra Pacific Industries) and has approximately 10 employees.

"In addition to the employees, we also have lots of subs," says Kelly. "We sub our cutting and trucking. That way we don't have to pay insurance and fuel, etc. It helps when you're trying to cut costs."

The company is grateful for a really loyal crew. "Everyone works together -- employees and subs. And in this economy, they've been amazing," adds Kelly. "A company is only as good as its employees, and they are a heck of a group."

Staying Busy in a Struggling Market

Working for SPI and Hancock has Hubbard Logging keeping at least two sides going and generally three.

"We try to do either two shovels and a yarder, or two yarders and a shovel," says Kelly. "On occasions Jim has four sides going, but we like three because it gives us some leeway."

At a time when some operations are folding, Hubbard Logging has experienced no down time. Kelly says it's been feast or famine, and even though they have been fortunate to have great customers like Hancock and SPI, they are logging at much smaller margins than 10 years ago.

"The biggest challenge now seems that you need to double your production and, at the same time, keep your costs down," says Kelly. "For us, that means doing a lot of it yourself."

To help keep costs down, Hubbard Logging has invested in a new fleet -- purchasing most of the machines in 2009. That may seem counter to keeping costs down, but Hubbard Logging sees it differently. A new fleet means a greater guarantee of zero downtime, increased production, and the ability to do more themselves.



“For example, we were subbing out our bunching and paid over \$138,000 in one year for someone else’s machine,” says Kelly. “So, Jim and I bought that new 522 buncher from Cat, which will let us do the bunching ourselves.”

She adds, “This is our second feller buncher. The first was a Prentice 720, and it paid for itself fast because we had the right operator -- Jim’s brother Shane. He can really move volume.”

While Shane is running the buncher, brother Kevin runs the processor, and Jim is usually running the 330 Cat loader. “Jim does what needs to be done. He’ll either shovel log, fall timber, or process,” says Kelly.

In addition to the buncher, the other machines purchased in 2008/2009 include:

- A 330 Cat log loader
- Two 325 Cat log loaders
- A Cat 324 Processor, one with a Waratah head and the other with a Denharco
- Two Madill 2800 loaders

Hubbard worked with Jay McNoll at N C Machinery in Fife, Wash., to secure the new machines. It worked out well, and the Hubbards have nothing but good things to say about the experience.

One big factor in moving to a new fleet was service, says Kelly. “It’s a huge factor right now because you can’t have down time. And when you buy new, you definitely need service to keep active.”

Making the Move

Some companies would have been nervous about making such a big investment during such economic turmoil. Hubbard Logging, however, would have been nervous if they didn’t.

“If you’ve got jobs out there, you either have equipment that you keep putting money into or you can have something that’s new and dependable that you can move a LOT of production, because it seems to me that that’s the key factor. You need to increase production to make up the difference that’s taking place in the market.”

She adds, “From a business standpoint we can either buy somebody else’s machine for them, by paying for a sub, or we can buy our own machine and do all of our own bunching, which saves us quite a bit of money. For what you sub it out, you can actually buy a machine, pay an operator, pay your insurance and fuel, and still be a little money ahead. And at the end, you have your own machine.”

Finding the Right Sub

Hubbard Logging will continue to sub out certain things, like trucking. Their view is that it’s more profitable to focus on the things you do best. They will concentrate on logging and let the truckers focus on trucking.



In addition, they will continue to lean on Clark Timber Cutting to handle the cutting they don't do themselves.

Brawn & Bookkeeping

Another reason Hubbard has stayed productive -- even through these rough times -- is because of a good blend of brawn and bookkeeping. "I love accounting and doing books, and Jim loves logging. I go to bed with numbers and wake up with numbers. He's got logging in his blood, so it works."

It isn't always easy. "I'm more conservative than Jim is," says Kelly. "But I think the combination of what he does and what I do together, along with a good crew -- you just can't beat it."